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November 15, 2002

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability*; WC Docket No. 01-338; *Appropriate Framework for Broadband Access to the Internet over Wireline Facilities*, CC Docket No. 02-33

Dear Ms. Dortch:

On November 14, 2002, the undersigned, together with Charles E. Hoffman, President and Chief Executive Officer, and Brad Sonnenberg, General Counsel, all of Covad Communications Company (Covad), made an *ex parte* presentation in the above-referenced dockets to Chairman Michael K. Powell and Christopher Libertelli. The attached handouts were distributed during the meeting.

During the meeting, Covad discussed the need for the Commission to act expeditiously to preserve competitors' access to the line sharing unbundled network element. The Commission's line sharing rules have allowed Covad and other competitors to roll-out mass market broadband offerings to consumers, applying competitive pressure on incumbents to do the same. As the attached materials make clear, the Commission's line sharing rules have led to clear and direct benefits for consumers. As a direct result of the Commission's line sharing rules, the number of DSL subscribers in the U.S. has jumped to nearly 6 million consumers, all while prices have dropped precipitously.

In fact, before the introduction of line sharing enabled new entrants to provide competitive DSL offerings, Verizon marketed DSL service at a monthly price of $69.95. Currently, however, Covad makes line shared DSL service available at its lowest price yet. This summer, Covad introduced its TeleSurfer Link product, allowing consumers to obtain line shared DSL services at an introductory price of $21.95 per month for the first four months, and $39.95 per month thereafter. The Commission's line sharing rules are clearly working, and delivering broadband at lower prices to greater numbers of people than ever before.

The experience of consumers in California, the market in which Covad first began providing competitive DSL services, is telling. At year end 2001, DSL subscribers in California outnumbered cable modem subscribers by 928,345 to 786,789. Moreover, the vast majority of California's DSL subscribers are served by Pacific Bell. Thus, the California experience shows clearly that competitive entry by companies like Covad works to the benefit of consumers, spurring competitive DSL deployment by competitors and incumbents alike. Without the Commission's line sharing rules, that competitive entry into the consumer broadband marketplace would not have taken place.

As the Commission is aware, November 18 is the third anniversary of its *Line Sharing Order*. In the three years that competitors have been able to deploy competitive line shared DSL services, the number of DSL subscribers has grown several times over to nearly 6 million, while prices in this competitive market have been nearly halved. As the Commission completes its deliberations in the *Triennial Review* and *Broadband NPRM* proceedings, Covad urges that the Commission reaffirm the tremendous consumer benefits that its line sharing rules have made possible, and maintain the continued availability of the line sharing unbundled network element.

Respectfully submitted,

___/s/ Praveen Goyal_________

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